

**AMENDMENTS TO THE CLAIMS:**

This listing of claims will replace all prior versions and listings of claims in the application:

1. (Currently Amended) A method of structuring a performance-based participation certificate contract, comprising the steps of:
  - identifying a pool of assets;
  - identifying parameters for the assets;
  - establishing a base guarantee fee for a security;
  - identifying a manner of securing the base guarantee fee for the contract;
  - issuing the security reflecting the parameters of the assets;
  - measuring, determining, using a computer, performance of the assets using a performance index; [[and]]
    - calculating, using the computer after issuing the security, a second guarantee fee based on the determined performance of the assets and based on the base guarantee fee; and
  - resetting the base guarantee fee for the security with the second guarantee fee, based on realized performance of the assets, once every predetermined time period.

2. (Currently Amended) The method of Claim 1, wherein the guarantee fee  $G_t$  is defined as:

$$G_t = \text{Min} [\text{Max} (G_0 + \text{PPA}_t + \text{TPA}_t, \text{MinG}), \text{MaxG}]$$

and is based on the following parameters:

[[a]] ~~the~~ base guarantee fee  $G_0$ ;

a permanent price adjustment  $PPA_t$  dependent on the performance index;

a temporary price adjustment  $TPA_t$  dependent on the performance index; and

a maximum lifetime guarantee fee  $MaxG$  and a minimum lifetime guarantee fee  $MinG$ .

3. (Original) The method of Claim 2, wherein the base guarantee fee is based on the lowest guarantee fee currently charged for the assets.

4. (Previously Presented) The method of Claim 1, wherein the performance index is any publicly observable index that is correlated with credit risk.

5. (Original) The method of Claim 2, wherein the price reset frequency is one of a group consisting of:

an annual reset;

a semi-annual reset; and

a quarterly reset.

6. (Original) The method of Claim 2, wherein the performance measurement  $PM_t$  is defined as:

$$PM_t = \text{Roundup} [(PI_t + PI_{t-1} + PI_{t-2} + PI_{t-3})/4] * [1/.01] - 1;$$

wherein  $PI_t$ ,  $PI_{t-1}$ ,  $PI_{t-2}$ , and  $PI_{t-3}$  are performance indexes measured at different points in time.

7. (Previously Presented) The method of Claim 2, further including calculating a permanent price adjustment  $PPA_t$  as:

$$PPA_t = \text{Max} (PPA_{t-1}, PM_t * PPAF);$$

wherein  $PPA_{t-1}$  is a previous permanent price adjustment,  $PM_t$  is a current performance measurement, and PPAF is a permanent price adjustment factor.

8. (Original) The method of Claim 2, wherein the temporary price adjustment  $TPA_t$  is defined as:

$$TPA_t = PM_t * TPAF;$$

wherein  $PM_t$  is a current performance measurement and TPAF is a temporary price adjustment factor.

9. (Original) The method of Claim 2, wherein the maximum and the minimum lifetime guarantee fees are lifetime limits on the guarantee fee.

10. (Currently Amended) A method of structuring a performance-based participation certificate contract, comprising the steps of:

identifying a pool of assets;

identifying parameters for the assets;

establishing a guarantee fee for a security;

identifying a manner of securing the guarantee fee for the contract;

issuing the security reflecting the parameters of the assets;

resetting the guarantee fee for the security using a computer, based on realized performance of the assets, once every predetermined time period wherein the manner of securing one or more future guarantee fee increases comprises at least one of a group consisting of:

varying an interest payment to a security holder as a guarantee fee varies, after issuing the security;

retaining an excess servicing strip, after issuing the security; and  
securing future guarantee fees with a corporate guarantee, after issuing the security.

11. (Original) The method of Claim 1, wherein the assets are multi-family mortgages.

12. (Cancelled).

13. (Currently Amended) A ~~computer program product comprising a computer~~ usable medium comprising instructions which, when executed by a processor, cause having control logic stored therein for causing a computer to structure a performance-based participation certificate contract, said instructions control logic comprising:

first computer readable program code means for causing the computer to identify a pool of assets;

second computer readable program code means for causing the computer to identify parameters for the assets;

third computer readable program code means for establishing a base guarantee fee for a security;

fourth computer readable program code means for causing the computer to identify a manner of securing the base guarantee fee for the contract;

fifth computer readable program code means for causing the computer to issue the security reflecting the parameters of the assets;

sixth computer readable program code means for measuring determining performance of the assets using a performance index; [[and]]

seventh computer readable program means for calculating, after issuing the security, a second guarantee fee based on the determined performance of the assets and based on the base guarantee fee; and

~~seventh~~ eighth computer readable program code means for causing the computer to reset the base guarantee fee with the second guarantee fee, based on realized performance of the assets, once every predetermined time period.

14. (Currently Amended) The computer usable medium program product of Claim 13, wherein the guarantee fee  $G_t$  is defined as:

$$G_t = \text{Min} [\text{Max} (G_0 + \text{PPA}_t + \text{TPA}_t, \text{MinG}), \text{MaxG}]$$

and is based on the following parameters:

[[a]] the base guarantee fee  $G_0$ ;

a permanent price adjustment  $\text{PPA}_t$  dependent on the performance index;

a temporary price adjustment  $TPA_t$  dependent on the performance index; and  
a maximum lifetime guarantee fee MaxG and a minimum lifetime guarantee fee MinG.

15. (Currently Amended) The computer usable medium program-product of Claim 14, wherein the base guarantee fee is based on the lowest guarantee fee currently charged for the assets.

16. (Currently Amended) The computer usable medium program-product of Claim 13, wherein the performance index is any publicly observable index that is correlated with credit risk.

17. (Currently Amended) The computer usable medium program-product of Claim 14, wherein the price reset frequency is one of a group consisting of:  
an annual reset;  
a semi-annual reset; and  
a quarterly reset.

18. (Currently Amended) The computer usable medium program-product of Claim 14, further including calculating a performance measurement  $PM_t$  as:

$$PM_t = \text{Roundup} [(PI_t + PI_{t-1} + PI_{t-2} + PI_{t-3})/4] * [1/.01] - 1;$$

wherein  $PI_t$ ,  $PI_{t-1}$ ,  $PI_{t-2}$ , and  $PI_{t-3}$  are performance indexes measured at different points in time.

19. (Currently Amended) The computer usable medium program-product of Claim 14, wherein the permanent price adjustment  $PPA_t$  is defined as:

$$PPA_t = \text{Max} (PPA_{t-1}, PM_t * PPAF);$$

wherein  $PPA_{t-1}$  is a previous permanent price adjustment,  $PM_t$  is a current performance measurement, and PPAF is a permanent price adjustment factor.

20. (Currently Amended) The computer usable medium program-product of Claim 14, wherein the temporary price adjustment  $TPA_t$  is defined as:

$$TPA_t = PM_t * TPAF;$$

wherein  $PM_t$  is a current performance measurement and TPAF is a temporary price adjustment factor.

21. (Currently Amended) The computer usable medium ~~program-product~~ of Claim 14, wherein the maximum and the minimum lifetime guarantee fees are lifetime limits on the guarantee fee.

22. (Currently Amended) ~~A computer program-product comprising a~~  
computer usable medium comprising instructions which, when executed by a processor,  
cause having control logic stored therein for causing a computer to structure a  
performance-based participation certificate contract, said instructions control logic  
comprising:

first computer readable program code means for causing the computer to identify a pool of assets;

second computer readable program code means for causing the computer to identify parameters for the assets;

third computer readable program code means for establishing a guarantee fee for a security;

fourth computer readable program code means for causing the computer to identify a manner of securing the guarantee fee for the contract;

fifth computer readable program code means for causing the computer to issue the security reflecting the parameters of the assets;

sixth computer readable program code means for causing the computer to reset the guarantee fee, based on realized performance of the assets, once every predetermined time period, wherein the manner of securing one or more future guarantee fee increases is one of a group consisting of:

varying an interest payment to a security holder as a guarantee fee varies, after issuing the securing;

retaining an excess servicing strip, after issuing the security; and  
securing future guarantee fees with a corporate guarantee, after issuing the security.

23. (Currently Amended) The computer usable medium program-product of Claim 13, wherein the assets are multi-family mortgages.



24. (Cancelled).

25. (Currently Amended) A method of structuring a credit enhancement contract, comprising the steps of:

identifying a pool of assets;

identifying parameters for the assets;

establishing a base credit enhancement fee for a security;

identifying a manner of securing the base credit enhancement fee for the credit enhancement contract;

issuing the security reflecting the parameters of the assets;

measuring determining, using a computer, a performance of the assets using a performance index; [[and]]

calculating, using the computer after issuing the assets, a second credit enhancement fee based on the determined performance of the assets and based on the base credit enhancement fee; and

resetting the base credit enhancement fee for the security with the second credit enhancement fee, based on realized performance of the assets, once every predetermined time period.

26. (Original) The method of Claim 25, wherein the credit enhancement fee is a guarantee fee.

27. (Original) The method of Claim 1, further comprising:

providing a guarantor with reimbursement for a predetermined amount of initial loss on the performance-based certificate contract.